

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	CASE NO. 97-124
FOR ADJUSTMENT OF RATES)	

O R D E R

On May 9, 1997, Taylor County Rural Electric Cooperative Corporation, Inc. ("Taylor County RECC") applied to the Commission for authority to adjust its basic rates to produce additional annual revenues of \$856,018.

Taylor County RECC is a consumer-owned rural electric cooperative organized pursuant to KRS Chapter 279 and engaged in the distribution and sale of electric energy to approximately 20,383 customers in Taylor, Adair, and Casey counties in south central Kentucky.

No requests for formal intervention in this matter were received. A hearing was scheduled for October 8, 1997. Commission Staff and Taylor County RECC conducted settlement negotiations and reached agreement. They have submitted their Agreement to the Commission for its approval. Under the terms of this Agreement, Taylor County RECC will be granted a revenue increase of \$846,318 or 4.64 percent over normalized total operating revenue.

After careful review of the Agreement, the Commission finds that the Agreement's terms are reasonable and that its rate design and terms of service provisions are in

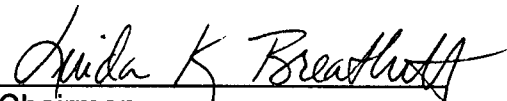
conformity with generally accepted rate-making standards. The Commission further finds that the Agreement is in the public interest and should be accepted.


IT IS THEREFORE ORDERED that:


1. The Settlement Agreement, appended hereto as Appendix A, is incorporated into this Order as if fully set forth herein.
2. The terms and conditions of the Settlement Agreement are adopted and approved.
3. The rates set forth in Appendix B to this Order are approved for service rendered on and after the date of this Order.
4. Taylor County RECC shall, within 20 days of the date of this Order, file new tariff sheets reflecting the provisions of this Order.

Done at Frankfort, Kentucky, this 4th day of November, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 97-124 DATED NOVEMBER 4, 1997

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 10 1997

PUBLIC SERVICE
COMMISSION

In the Matter of:

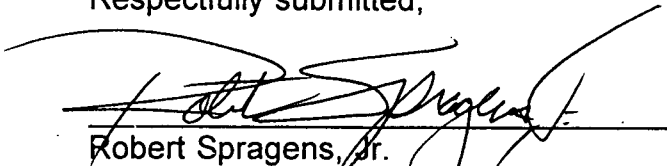
APPLICATION OF TAYLOR COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO. 97-124
FOR ADJUSTMENT OF RATES)

NOTICE OF SUBMISSION OF SETTLEMENT AGREEMENT
AND MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT

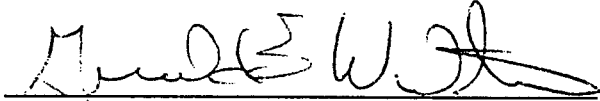
Taylor County Rural Electric Cooperative Corporation, Inc. and Commission Staff
give notice of their submission of a Settlement Agreement which resolves all outstanding
issues in the above-styled matter.

They hereby move that the Commission enter an Order accepting and approving
this Agreement.

Respectfully submitted,


Robert Spragens, Jr.
Spragens, Smith and Higdon, P.S.C.
15 Court Square - Box 681
Lebanon, Kentucky 40033-1257
(502) 692-3141

COUNSEL FOR TAYLOR COUNTY RECC


Gerald E. Wuetcher
Post Office Box 615
Frankfort, Kentucky 40602-0615
(502) 564-3940

COUNSEL FOR COMMISSION STAFF

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO. 97-124
FOR ADJUSTMENT OF RATES)

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 3rd day of October, 1997, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION, INC. ("Taylor County RECC").

W I T N E S S E T H :

THAT, WHEREAS, on May 9, 1997, Taylor County RECC applied to the Public Service Commission for authority to adjust its basic rates to produce additional annual revenue in the amount of \$856,018.00; and

WHEREAS, no persons have sought or been granted intervention in this proceeding; and

WHEREAS, Taylor County RECC and Commission Staff have discussed Taylor County RECC's application and reached agreement on all outstanding issues raised by it.

NOW, THEREFORE, be it resolved that:

1. Taylor County RECC and Commission Staff mutually agree that all outstanding issues raised in this proceeding shall be resolved by this Settlement Agreement.

2. Taylor County RECC shall be authorized to adjust its rates to produce additional operating revenues of \$846,318 annually, or total operating revenues of \$19,078,663, upon written acceptance of this Settlement Agreement by the Public Service Commission. The rates set forth in the Appendix to this Settlement Agreement will produce this level of revenue.

3. Taylor County RECC's revenue requirements as determined in this Settlement Agreement are based on a 2.00 TIER.

4. Taylor County RECC recognizes and acknowledges its obligation to operate its system at the lowest possible cost consistent with the furnishing of adequate, efficient, and reasonable electric service. Taylor County RECC agrees to take all reasonable steps necessary to comply with this obligation.

5. This Agreement is subject to the acceptance of and approval by the Public Service Commission.

6. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on either signatory.

7. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an order in this proceeding to that effect, Taylor

County RECC shall not apply for rehearing in this proceeding nor bring an action for review of that order.

8. This Settlement Agreement is submitted for purposes of this case only and is not binding upon the signatories in any other Commission proceeding nor is it to be offered or relied upon in any other Commission proceeding involving the signatories.

9. This Settlement Agreement is lawful, reasonable and in the best interest of all concerned, will result in fair, just, and reasonable rates, and should be adopted by the Commission in its entirety.

AGREED TO BY:

TAYLOR COUNTY RECC

By: Barry L. Myers
Title: Manager

Date: 10/3/97

COMMISSION STAFF

By: David E. White
Title: Staff Attorney

Date: 10/3/97

APPENDIX

The Signatories agree that the following rates and charges should be charged to the customers of Taylor County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein should remain unchanged.

SCHEDULE A FARM AND HOME SERVICE

Rate:

Service Charge, Per Meter, Per Month	\$6.92
All KWH Per Month	\$0.05315 Per KWH

SCHEDULE GP-1 GENERAL PURPOSE SERVICE (LESS THAN 50 KVA)

Rate:

Service Charge, Per Meter, Per Month	\$7.11
All KWH Per Month	\$0.05326 Per KWH

SCHEDULE GP-2 GENERAL PURPOSE SERVICE (50 KVA AND ABOVE)

Rate:

Service Charge, Per Meter, Per Month	\$43.42
Demand Rate, Per KW, Per Month	4.64
All KWH Per Month	\$0.03544 Per KWH

CABLE TELEVISION ATTACHMENT TARIFF

Rate:

Monthly Rental Charges:	
Two-Party Pole Attachment	\$.2300
Three-Party Pole Attachment	.2183
Two-Party Anchor Attachment	.7056
Three-Party Anchor Attachment	.4700
Ground Attachment	.1142

SCHEDULE R1
RESIDENTIAL MARKETING RATE

Rate:

All KWH Per Month

\$0.03189 Per KWH

SCHEDULE SL
STREET LIGHTING SERVICE

Rate:

All KWH Per Light Per Month @ GP-1 Rate

SCHEDULE C1
LARGE INDUSTRIAL RATE

Rate:

Consumer Charge
Demand Charge
Energy Charge

\$1,069.00 Per Month
5.39 Per KW of Billing Demand
0.02776 Per KWH

SCHEDULE C2
LARGE INDUSTRIAL RATE

Rate:

Consumer Charge
Demand Charge
Energy Charge

\$2,498.00 Per Month
5.39 Per KW of Billing Demand
0.02276 Per KWH

SCHEDULE C3
LARGE INDUSTRIAL RATE

Rate:

Consumer Charge
Demand Charge
Energy Charge

\$2,980.00 Per Month
5.39 Per KW of Billing Demand
0.02176 Per KWH

SCHEDULE B1
LARGE INDUSTRIAL RATE

Rate:

Consumer Charge
Demand Charge

Energy Charge

\$1,069.00 Per Month
5.39 Per KW of Contract Demand
7.82 Per KW of Billing Demand
in Excess of Contract
Demand
0.02776 Per KWH

SCHEDULE B2
LARGE INDUSTRIAL RATE

Rate:

Consumer Charge	\$2,498.00 Per Month
Demand Charge	5.39 Per KW of Contract Demand 7.82 Per KW of Billing Demand in Excess of Contract Demand
Energy Charge	0.02276 Per KWH

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Rate:

Consumer Charge	\$2,980.00 Per Month
Demand Charge	5.39 Per KW of Contract Demand 7.82 Per KW of Billing Demand in Excess of Contract Demand
Energy Charge	0.02176 Per KWH

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-124 DATED

The following rates and charges are prescribed for the customers in the area served by Taylor County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE A FARM AND HOME SERVICE

Rate:

Service Charge, Per Meter, Per Month	\$6.92
All KWH Per Month	\$0.05315 Per KWH

SCHEDULE GP-1 GENERAL PURPOSE SERVICE (LESS THAN 50 KVA)

Rate:

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Energy Charge

0.02776 Per KWH

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LARGE INDUSTRIAL RATE

Rate:

Consumer Charge	\$2,498.00 Per Month
Demand Charge	5.39 Per KW of Contract Demand 7.82 Per KW of Billing Demand in Excess of Contract Demand
Energy Charge	0.02276 Per KWH

SCHEDULE B3
LARGE INDUSTRIAL RATE

Rate:

Consumer Charge	\$2,980.00 Per Month
Demand Charge	5.39 Per KW of Contract Demand 7.82 Per KW of Billing Demand in Excess of Contract Demand
Energy Charge	0.02176 Per KWH